



**Office of the Attorney General
Paul G. Summers**

**Department of Commerce and Insurance
Commissioner Paula Flowers**

NEWS RELEASE

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**Memphis Hotel Franchise to Make Restitution for Prices It
Charged Consumers in the Wake of Hurricane Katrina**

Tennessee Attorney General Paul Summers has obtained an agreement with a Memphis hotel as a result of the hotel's price increases before, during, and after people sought refuge from Hurricane Katrina. The agreement, which falls shortly after the first anniversary since the hurricane devastated the Gulf Coast, calls for the hotel to refund customers who were allegedly overcharged.

La Vista, LLC ("La Vista") doing business as La Quinta on Macon Cove has agreed to pay restitution to eligible consumers in addition to paying the state \$7,000 in civil penalties. The agreed judgment follows an investigation launched by the Attorney General's office and the Division of Consumer Affairs following complaints of increased hotel prices in the aftermath of the storm. Hundreds of storm victims flocked to Tennessee seeking shelter following one of the most destructive hurricanes in recent memory.

"We hope this agreement will serve as a reminder to other businesses who may consider raising their prices in a time of crisis," Attorney General Summers said. "We appreciate La Vista stepping forward and doing the right thing in this case.."

The majority of the consumers who will receive restitution are those from Gulf Coast cities

ravaged by Hurricane Katrina from cities such as New Orleans, Gulfport, and Metairie.

La Vista will be mailing partial refunds to eligible consumers who stayed at the Macon Cove La Quinta from Aug. 27, 2005 until Sept. 2, 2005. Consumers who have moved following Hurricane Katrina should contact the Attorney General's Office at (615) 741-4737. If consumers are not located within six months, their portion of the restitution will be sent to the Unclaimed Property fund for the State of Tennessee. Refund amounts range from \$5.55 to \$293.80 per person. The average amount refunded is around \$52.00 per consumer.

La Vista will also pay the State \$7,000 in civil penalties as part of the agreement, which calls for La Vista to refrain from unreasonably raising prices on essential goods, commodities, or services in direct response to a crime, act of terrorism, or natural disaster in the future.

During the investigation, La Vista fully cooperated. Pursuant to the agreed judgment, La Vista admits no wrongdoing.

Consumers who believe they may have been charged an unreasonable hotel rate following a crime, act of terrorism, or natural disaster should contact the Division of Consumer Affairs at 1-800-342-8385 (toll-free inside Tennessee) or (615) 741-4737.